

Honolulu, Hawaii  
February 14, 2014

RE: H.B. No. 2618  
H.D. 2

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which  
was referred H.B. No. 2618, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY STORAGE,"

begs leave to report as follows:

The purpose of this measure is to establish an income tax credit for each grid-connected energy storage property that is installed and placed in service in the State during the taxable year beginning after December 31, 2014; provided that the tax credit shall not be available for taxable years beginning after December 31, 2025. The tax credit may be claimed as either an investment credit or utilization credit.

Ulupono Initiative; Princeton Energy Group; Blue Planet Foundation; Hawaii PV Coalition; Hawaii Renewable Energy Alliance; and two concerned individuals testified in support of this measure. The Public Utilities Commission; Department of Business, Economic Development, and Tourism; Department of Taxation; and Tax Foundation of Hawaii commented on this measure.

Your Committee has amended this measure by:

- (1) Changing the definition of "energy storage capacity" to include measurement by megawatts, in addition to megawatt-hours;



- (2) Changing the capacity requirement in the definition of "grid-connected energy storage property" to include a capacity of at least one megawatt;
- (3) Clarifying that any of the tax credits in this measure cannot be used in conjunction with any existing tax credit;
- (4) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Should your Committee on Finance deliberate on this measure, your Committee respectfully requests that the investment credit percentages and the utilization credit amounts be determined.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2618, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2618, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



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ANGUS L.K. MCKELVEY, Chair



State of Hawaii  
House of Representatives  
The Twenty-seventh Legislature

HSCR 485-14

**Record of Votes of the Committee on Consumer Protection and Commerce**

Bill/Resolution No.: <b>HB 2618, HD1</b>	Committee Referral: <b>EEP, CPL, FIN</b>	Date: <b>2/12/14</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. KAWAKAMI, Derek S.K. (VC)	✓			
3. BELATTI, Della Au	✓			
4. BROWER, Tom	✓			
5. CACHOLA, Romy M.				✓
6. CREAGAN, Richard	✓			
7. EVANS, Cindy	✓			
8. HAR, Sharon E.	✓			
9. ITO, Ken				✓
10. LEE, Chris	✓			
11. NAKASHIMA, Mark M.	✓			
12. OSHIRO, Marcus R.				✓
13. TSUJI, Clift	✓			
14. YAMANE, Ryan I.	✓			
15. MCDERMOTT, Bob	✓			
16. THIELEN, Cynthia	✓			
<b>TOTAL (16)</b>	<b>13</b>			<b>3</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____				
Distribution:   Original (White) – Committee              Duplicate (Yellow) – Chief Clerk's Office              Duplicate (Pink) – HMSO				